SUPREME COURT, U. S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

No. 1467

THE AMERICAN BASKETBALL ASSOCIATION,
Petitioner,

against

AMF VOIT, INC. and AMF INCORPORATED,
Respondents.

BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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TABLE OF CONTENTS

	PAGE
Opinions Below	1
Respondents' Statement of the Case	2
Reasons for Denying the Writ	3
1. The Reasons Advanced by the Petition Relate Only to Issues Arising Under State Common Law	3
2. The Petition Seeks Review of Determinations of Fact Limited to this Case	5
Conclusion	7

TABLE OF AUTHORITIES

Pecheur Lozenge Co., Inc. v. *National Candy Company, Inc.*, 315 U.S. 666 (1942)	3
Merrick v. *Sharp & Dohme, Inc.*, 185 F.2d 713, 717, 88 U.S.P.Q. 145, 149, (7th Cir. 1950); cert. denied 341 U.S. 954 (1951)	4

STATUTES

Trademark Act of 1946 (Lanham Act)	
§2, 15 U.S.C §1052	4
§21, 15 U.S.C. §1071	4
§32(1), 15 U.S.C. §1114(1)	4
§43(a), 15 U.S.C. §1125(a)	3,4
28 U.S.C. §1338(a)	4
28 U.S.C. §1338(b)	4

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The petition seeks a writ of certiorari to review determinations of issues arising under state common law relating to trademarks, over which the District Court had jurisdiction only by virtue of pendant jurisdiction. This Court should not grant certiorari to review such determinations, especially where they rest merely on determinations of factual issues.

Opinions Below

The opinion of the District Court was reported at 358 F. Supp. 981, 177 U.S.P.Q. 442 (S.D.N.Y. 1973) and the affirmance by the Court of Appeals without opinion was reported at 487 F.2d 1393, 180 U.S.P.Q. 290 (2nd Cir. 1973). Denial of rehearing by the Court of Appeals was also reported at 180 U.S.P.Q. 290 (2nd Cir. 1974).

Respondents' Statement of the Case

As shown by the decision of the District Court, plaintiff American Basketball Association ("ABA") was formed in 1967 and, as a "gimmick", colored the standard eight panels of the common basketball with alternating colors of red, white and blue. These balls bore the logo "ABA" in a prominent position.

Shortly after the ABA started use of the colored ball, "many companies began selling red, white and blue basketballs without the ABA logo but carrying the logo of the manufacturer and/or distributor. These companies included Hutch Athletic Goods Company, Regent Sporting Goods Company, Pennsylvania Rubber Company, MacGregor Co. and Spalding Co." In November, 1970, in response to sales by competitors, defendant AMF Voit, Inc. ("AMF") brought out its own multi-colored basketball bearing the AMF VOIT logo. (Appendix B, A-4).

The ABA waited from 1967 until March, 1971, before applying to register the coloration as a trademark for basketballs. (Appendix B, A-4). The mark was never registered and plaintiff instituted this action for common law trademark infringement, violation of 15 U.S.C. §1125(a), and unfair competition in July, 1972.

After trial, the District Court ruled for defendants on the grounds that plaintiff's alleged mark was not inherently distinctive; that plaintiff had failed to establish secondary meaning; and that no unfair competition had been committed. On appeal, the Court of Appeals affirmed without opinion and rehearing was denied.

Reasons for Denying the Writ

1. The Reasons Advanced by the Petition Relate Only to Issues Arising Under State Common Law.

Petitioner's statement of the case (page 3) acknowledges that jurisdiction of the District Court rests only on Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), and pendant jurisdiction. That section of the Act states:

> "Any person who shall affix, apply, or annex, or use in connection with any goods, or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words, or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation."

Thus, the only federal claim in this action is the count for false designation of origin or false description or representation. Yet petitioners, in seeking the issuance of the writ, do not request review of the denial of their claims under Section 43(a). Instead, they seek review only of issues of trademark infringement which, in this action, arise under state common law. Accordingly, petitioner seeks interpretation by this Court not of federal law but of state common law. *Pecheur Lozenge Co., Inc.* v. *National Candy Company, Inc.*, 315 U.S. 666 (1942).

Petitioner's recitation of Section 2 of the Lanham Act, 15 U.S.C. §1052, as the statute involved is in error. Since there is no registration in the United States Patent Office of the alleged mark sought to be protected, there is no District Court jurisdiction of the action as a federal claim for trademark infringement. 15 U.S.C. §1114(1). The District Court had no jurisdiction even to determine registrability of any trademark in absence of a prior determination by the Patent Office and review thereof pursuant to Section 21 of the Act, 15 U.S.C. §1071.

> "Congress has confided the registration of trademarks to the Patent Office of the United States. The Courts of the United States have no jurisdiction over registration proceedings except that appellate jurisdiction given them by the Trade-Mark Act." *Merrick* v. *Sharp & Dohme, Inc.* 185 F.2d 713, 717, 88 U.S.P.Q. 145, 149, (7th Cir. 1950); *cert. denied* 341 U.S. 954 (1951).

It is true that to the extent that this action was for false designation of origin or false representation under Section 43(a) of the Lanham Act, the District Court had jurisdiction of it as a "civil action arising under any Act of Congress relating to . . . trade-marks", 28 U.S.C. § 1338(a). In addition, the District Court could properly exercise pendant jurisdiction of the common law trademark infringement claim. 28 U.S.C. § 1338(b). Such pendant jurisdiction of the common law trademark claim does not, however, encompass claims to federal trademark registration or claims under the statutory trademark provisions of the Lanham Act.

In essence, the petition does not seek interpretation of any issues of federal law, but merely seeks review of state common law trademark issues. The decision of the District Court does not conflict with applicable state law

and thus there is no reason here for review on writ of certiorari as specified by Rule 19 of the Rules of this Court. The petition should be denied.

2. The Petition Seeks Review of Determinations of Fact Limited to this Case.

The reasons advanced by the petition, aside from the fact that they relate merely to state common law, do not justify granting a writ of certiorari. The Court of Appeals for the Second Circuit affirmed the District Court's decision without opinion, 487 F.2d 1393, 180 U.S. P.Q. 290 (2nd Cir. 1973). It dispensed with an opinion apparently pursuant to its new rule (§ 0.23) of October 31, 1973 which provides in part:

> ". . . in those cases in which decision is unanimous and each judge of the panel believes that no jurisprudential purpose would be served by a written opinion, disposition will be made in open court or by summary order."

As the Court of Appeals did not see sufficient question on the appeal even to justify a written opinion, we submit that the matter does not justify the granting of a writ of certiorari by this Court.

In any event, the questions presented by the petition (page 2) are not of general significance. The first two questions involve, basically, whether or not the plaintiff's alleged trademark was inherently distinctive and, if not, whether the alleged trademark had acquired such secondary meaning as to render it distinctive. These are simply questions of fact which were determined adversely to the petitioner by the District Court and concerning which the Court of Appeals saw no neeed to find the determinations "clearly erroneous". It affirmed unanimously and, as mentioned, without even an opinion.

The District Court stated in finding that the coloration of the various panels of the ordinary basketball is not inherently distinctive:

> "The basketball used by the plaintiff is of the same configuration as an ordinary basketball except that the colors of the particular panels are different. I find that the colors are merely a decoration or embellishment." (Appendix B; A-6)

Such finding seems hardly a matter for reconsideration by this Court and seems self-evident on its face. The Court simply found as a fact that the application of red, white and blue colors—the national colors—to the ordinary panels of a basketball is not by its nature so arbitrary and distinctive that it would be automatically recognized by the public as a trademark for basketballs. Any finding to the contrary would mean that simply by adoption and commencement of use the petitioner acquired a perpetual monopoly in the sale of basketballs so colored.

Having found that the alleged mark was not *inherently* arbitrary and distinctive, the District Court then considered whether plaintiff had established a secondary meaning in the alleged mark. This too was a question of fact which was decided adversely to petitioner. Petitioner simply failed to prove before the District Court any distinctiveness of its alleged trademark as a result of secondary meaning.

These two findings of fact justify the decision of the District Court and there is no need to go beyond these findings or to reexamine them. Similarly, the third and fourth questions presented by the petition involve questions of fact as to whether the ABA abandoned its mark and whether any unfair competition was committed. Such factual determinations are not of such significance as to justify the granting of a writ of certiorari to examine their correctness, for they relate only to the present case.

CONCLUSION

The petition does not raise questions of federal law and involves only issues of fact, limited to the case at bar. The Court of Appeals implicitly found that "no jurisprudential purpose would be served by a written opinion" and summarily affirmed, without opinion.

The petition should be denied.

Respectfully submitted,

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April 19, 1974